


Estácio

1Q09

Stock Price - ESTC3
R$18.00/per share
5/13/2009

No. Of Shares
78,585,066

Market Cap
R$1,414.5 million

Free Float
25.2%

Conference Calls:
05/14/2009

Portuguese
9h00 AM (Brasília)
8h00 AM (US EST)
Phone: +55 (11) 4003-9004
Replay: +55 (11) 4003-9004
Code: Estácio

English
11h00 AM (Brasília)
10h00 AM (US EST)
Phone: +1(866) 866-2673
Code: Estácio
Replay: +1(866) 866-2673
Code: Estácio

IR Contacts:

Lorival Luz
CFO and IR Director

Daniella Guanabara
+55 (21) 2433-9789
daniella.guanabara@estacio.br

Fernando Santino
+55 (21) 2433-9790
fernando.santino@estacio.br

ESTC3 NOVO MERCADO BOVESPA BRASIL

NET REVENUES INCREASE 11%, TO R$265 MILLION EBITDA GROWS 11% TO R$43.1 MILLION (16.3% Margin) G&A REDUCTION OF 3.9 p.p. OF NET REVENUES

Rio de Janeiro, May 14, 2009 – Estácio Participações S.A. (*Bovespa, ESTC3; Bloomberg, ESTC3.BZ; Reuters, ESTC3.SA*) announces its results for the first quarter of 2009 (1Q09). Except where otherwise stated, the operating and financial information in this release is presented in a consolidated form, in thousands of reais and pursuant to Brazilian Corporate Law.

FINANCIAL HIGHLIGHTS

Estácio's net revenues totaled R$265 million in 1Q09, 11.4% up on 1Q08, fueled by a combination of organic growth, further development of the acquisitions made in 2008 and tuition adjustments.

The Company's student base climbed 6.4%, reaching 211 thousand in 1Q09, compared to 198 thousand in 1Q08. This result was accompanied by a 4.4% increase in the average monthly tuition, which amounted to R$450 in 1Q09 versus R$431 in 1Q08. The enrollment process was also successfully completed, posting a 5.0% growth year on year, adding 54.6 thousand new students compared to 52.0 thousand in the same period of 2008.

The Company's renewal rate stood at 86% of the student base, despite the stricter and more sensible approach to the renegotiation and renewal processes for students with overdue tuitions.

Recurring EBITDA moved up by 11%, reaching R$43.1 million (16.3% margin) in 1Q09, compared to R$38.8 million (16.3% margin) in 1Q08. The major impacts on EBITDA were:

i) **Consistent improvement in personnel expenses:** efficiency gain around 1.6 p.p. of net revenues on a year-on-year basis, already net of the gradual increase in INSS social charges (0.9 p.p. of net revenues). Such improvement derives from the ongoing restructuring process. Personnel expenses (costs and administrative expenses) reached R$141.7 million in 1Q09 (53.6% of net revenues), compared to R$131.0 million in 1Q08 (55.2% of net revenues).

ii) **Gains in "other general and administrative expenses":** the efficiency gain (2.4 p.p. of net revenues) comprised all lines under this account, which totaled R$25.8 million in 1Q09 (9.7% of net revenues) versus R$28.9 million in 1Q08 (12.2% of net revenues). The total gain in G&A expenses reached 3.9 p.p. of net revenues, including the 1.4 p.p. improvement in administrative personnel.

iii) **Greater commercial efforts:** in order to strengthen and promulgate the national identity of the "Estácio" brand, the Company enhanced its marketing efforts. Marketing expenses represented 4.3% of net revenues in 1Q09 versus 2.4% in 1Q08. In view of the adverse economic setting, the Company carried on with its more conservative approach to the recognition of receivables, booking a PDD (provision for doubtful debts) expense of R$6.2 million in 1Q09 (2.4% of net revenues), versus R$3.5 million in 1Q08 (1.5% of net revenues). Margins, however, remained flat year on year.

Adjusted net income totaled R$32.7 million, 1.5% down on 1Q08. The Company ended the first quarter with a solid net cash position of R$242.2 million.

MESSAGE FROM THE CEO, Eduardo Alcalay

During the first quarter of 2009, the Company concluded another renewal process, with its renewal rate standing at 86% of the student base, in line with recent years´ performances. The enrollment process was also successfully completed, adding 54.6 thousand new students in 1Q09, versus 52.0 thousand in 1Q08. At the end of 1Q09, the Company's student base totaled 211 thousand, distributed across 77 campuses in 16 Brazilian states and one unit in Paraguay.

The first quarter of the year also flagged the beginning of a strict costs and expenses control under the "Zero-based Budget" and "Matrix Budget", which have already started producing significant results. As a percentage of net revenues, personnel expenses declined by 1.6 p.p. year on year, despite higher INSS social charges of R$2.4 million (0.9% of net revenues) in 1Q09 versus 1Q08. The "other general and administrative expenses" account also booked an efficiency gain around 2.4 p.p. of revenues, compared to 1Q08.

In view of such efficiency gain, the Company could pursue a more aggressive marketing strategy and, at the same time, brace itself for a more challenging outlook, maintaining its conservative and restrictive policy towards the recognition of the provision for doubtful debts. Despite this stricter approach, margins remained stable on a year-on-year basis.

In order to reinforce a new positioning of the "Estácio" brand so as to strengthen and promulgate its national identity, the Company is rolling out a nationwide campaign, played by TV host Luciano Huck. This campaign aims at enhancing brand recognition in recently acquired regions, respecting regional specificities. The purpose is to improve the Company´s competitiveness toward its addressable market, focusing on integrating all of its units into a single "national network", as the largest private institution for post-secondary education in Brazil. The campaign should also enhance students´ opportunities, increasing their employability and competitiveness in the labor market. The project further includes joint initiatives with companies and high schools to reinforce this new stage of the Company.

For the second quarter of 2009, the Company confirms the beginning of operations of the Shared Services Center (SSC). By the end of May and beginning of June, a set of processes and activities from the campuses will be transferred and centralized in the Company's main office, in Rio de Janeiro. Some of the activities subject to centralization are the following: accounting, payroll, monthly tuition billings, procurement and IT. The SSC will render services to all our campuses nationwide, granting agility, uniformity, higher quality services to our students, besides profitability improvements.

We are also glad to announce the approval, granted by the Ministry of Education (MEC), to offer Undergraduate Distance Learning programs throughout our network of 54 distance learning units, distributed nationwide. After an intense and long evaluating process, our Distance Learning Units were evaluated as "Very Good" (Grade 5) and "Good" (Grade 4), being 5 the highest score. For the second semester, the Company will launch programs in areas such as Business, Accounting, Pedagogy, Human Resources Management and Marketing. We have a high expectation in relation to this new and promising segment, and we are glad to have been granted this important approval and evaluation by the regulator.

KEY OPERATING AND FINANCIAL INDICATORS

Table 1 – Key Operating and Financial Indicators

	1Q08	1Q09	Chg.%
Student Base (final) - thousand	198	211	6.4%
AverageTuition (R$)[1]	431	450	4.4%
R$ million			
Gross Revenue	348.2	380.5	9.3%
Net Revenue	237.5	264.6	11.4%
Recurring Cash Gross Profit[2]	**101.6**	**112.0**	**10.2%**
Gross Margin (%)	*42.8%*	*42.3%*	*(0.4) p.p*
Recurring EBITDA[2]	**38.8**	**43.1**	**11.0%**
Recurring EBITDA Margin (%)	*16.3%*	*16.3%*	
Recurring EBITDA ex-rentals	**59.6**	**66.5**	**11.7%**
Recurring EBITDA Margin ex-rentals (%)	*25.1%*	*25.1%*	
Adjusted Net Income[3]	**33.2**	**32.7**	**-1.5%**

(1) Net Revenues/Final Paying Student Base
(2) Adjusted for non-recurring expenses in 1Q09
(3) Excluding goodwill amortization from acquisitions in 1Q08 and non-recurring expenses in 1Q09

ANALYSIS OF RESULTS – 1Q09

In view of the strong seasonality of the business, the comparisons were focused on the same period of 2008.

The tables containing the income statement can be found on pages 17, 18 and 19 of this report.

REVENUES

Table 2, as follows, provides the revenue breakdown and variations for the periods indicated.

Table 2 – Revenue Breakdown

R$ million	1Q08	1Q09	Chg.%
Monthly Tuition Fees	342.3	376.5	10.0%
Others	5.9	4.0	-33.0%
Gross Revenue	**348.2**	**380.5**	**9.3%**
Deductions	**(110.6)**	**(115.9)**	**4.7%**
Gratuities - Scholarships	(88.3)	(97.9)	10.8%
Monthly tuition fees and charges returned	(1.1)	(0.8)	-29.3%
Allowances	(10.8)	(5.9)	-45.5%
Taxes	(10.4)	(11.3)	9.2%
Net Revenue	**237.5**	**264.6**	**11.4%**

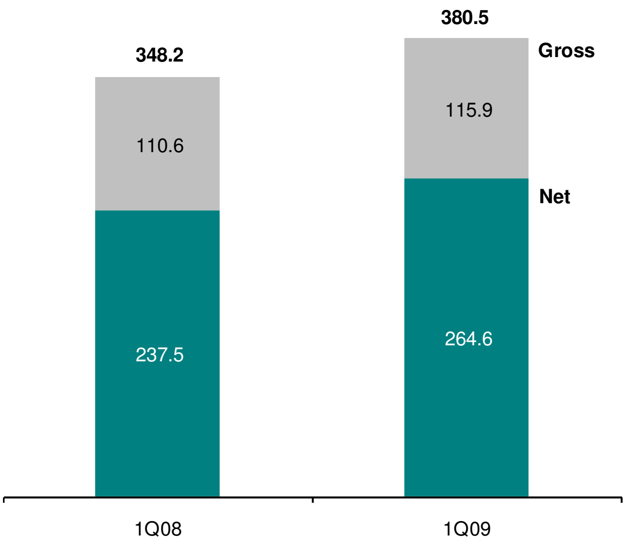
The Company's student base climbed 6.4% in 1Q09 over 1Q08, reaching nearly 211 thousand students. The enrollment process carried out in early 2009 added roughly 54.6 thousand new students (5.0% up on the enrollment figure during the first semester of 2008). The Company also reached an 86% renewal rate of its base, despite the stricter and more sensible approach to the renegotiation and renewal processes for students with overdue tuitions. There were no company acquisitions in the first quarter of 2009.

Even against a more restrictive economic backdrop, the Company succeeded in not only expanding its student base, but also implementing higher prices. In 1Q09, the average monthly tuition climbed around 2.8% on 4Q08. On a year-on-year basis, the average monthly tuition moved up by 4.4%.

Concerning the gross revenue deductions, the following should be highlighted: a) stability in the gratuities line as a percentage of gross revenues; b) relative stability in the taxes line – as a percentage of gross revenues, the tax amount paid in 1Q09 was in line with 1Q08; c) reduction in the allowances line as a percentage of gross revenues.

The Company's net revenues totaled R$264.6 million in 1Q09, 11.4% up on 1Q08. The larger growth in net revenues vis-à-vis gross revenues derives mainly from the relative reduction in the amount of allowances granted.

Chart 1 – Revenue Evolution (R$ million)



COST OF SERVICES (COS)

Cash cost totaled R$153.6 million in 1Q09, affected by non-recurring items related to lay-offs amounting to R$1.0 million. On a recurring basis, cash cost stood at R$152.6 million, which corresponds to a 0.4 p.p. upturn as a percentage of net revenues against 1Q08.

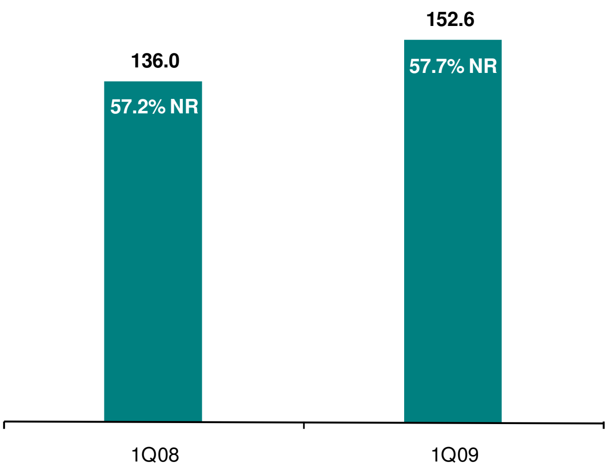
The main recurring cash cost variations were the following:

- **Faculty Costs**: despite the higher tax burden related to INSS social security charges, faculty costs, on a recurring basis, reached R$113.7 million in 1Q09. As a percentage of net revenues, such costs declined 0.1 p.p. vis-à-vis 1Q08 (43.1% x 43.0% in 1Q09). The additional INSS charges in the costs line totaled R$2.5 million in 1Q09, or 0.9 p.p. of net revenues.

- **Rental (includes Real Estate Taxes and Expenses)**: rental expenses totaled R$25.6 million in 1Q09, versus R$22.6 million in 1Q08, up by 13.4% year on year. As a percentage of net revenues, rental expenses climbed to 9.7% in 1Q09, versus 9.5% in 1Q08, driven by higher rates in acquired companies. In 1Q09, rental expenses of acquired companies represented 11.7% of net revenues. As for the remaining companies of the group, such percentage decreased to 9.4% of net revenues in 1Q09, versus 9.5% in 1Q08.

- **Third-party Services/Other**: both account corresponded to 5.0% of net revenues in 1Q09, up by 0.4 p.p. over 1Q08, concerning mainly electricity, water, gas and telephone.

Chart 2 – Cost of Services (R$ million)



The following table shows the COS breakdown for the periods under analysis:

Table 3 – Cash Cost Evolution

R$ million	1Q08	1Q09
Cash Cost	**136.0**	**153.6**
Non Recurring Expenses	-	(1.0)
Recurring Cash Costs	**136.0**	**153.6**
Faculty Costs	**102.5**	**113.7**
- Faculty Payroll	93.8	102.6
- Social Security taxes	8.6	11.1
Rentals / Real State Taxes	**22.6**	**25.6**
Others	**10.9**	**13.2**
- Third-Part Services	5.0	6.1
- Others	5.8	7.1

GROSS PROFIT

Recurring gross profit reached R$112.0 million in 1Q09, up by 10.2% against 1Q08. Recurring gross margin stood at 42.3% in 1Q09, compared to 42.8% in 1Q08. The 0.4 p.p. decline in the gross margin was chiefly driven by higher expenses connected with rental and campuses utilities.

Table 4 – Gross Profit

R$ million	1Q08	1Q09	Chg.%
Net Revenue	237.5	264.6	11.4%
Recurring Cash Cost of Services	(136.0)	(152.6)	12.2%
(+) Cash Cost of Services	(136.0)	(153.6)	13.0%
(+) Non-recurring Expenses	-	1.0	
Recurring Cash Gross Profit	**101.6**	**112.0**	**10.2%**
Recurring Gross Margin	*42.8%*	*42.3%*	*(0.4) p.p*

SELLING, GENERAL & ADMINISTRATIVE EXPENSES (SG&A)

On a cash basis, SG&A expenses totaled R$73.4 million in 1Q09. Given the Company's restructuring process, R$1.9 million non-recurring SG&A expenses were booked in the quarter related to lay-offs (R$1.3 million) and outsourcing (R$0.6 million).

On a recurring basis, SG&A expenses totaled R$71.5 million in 1Q09 (27.0% of net revenues), compared to R$66.6 million in 1Q08 (28.1% of net revenues), arising from the consistent efficiency gain in administrative expenses amounting to 3.9 p.p. of net revenues year on year.

Selling Expenses: total selling expenses amounted to R$17.7 million (6.7% of net revenues) in 1Q09, compared to R$9.2 million (3.9% of net revenues) in 1Q08. This result derives mainly from:

- **Marketing:** as a percentage of net revenues, marketing expenses climbed 1.9 p.p. in 1Q09 versus 1Q08, reaching R$11.5 million. The budget for 2009 includes a heavier marketing effort, the purpose of which is to sustain enrollment rates at high levels, against a harsher macroeconomic setting with effects on economic activity and employment, as well as to strengthen the "Estácio" brand and promulgate its national identity.
- **Provision for Doubtful Debts (PDD):** in line with the Company's more conservative approach to credit recognition, adopted as from 4Q08 also driven by the more restrictive macroeconomic setting, PDD expenses totaled R$6.2 million (2.4% of net revenues), compared to R$3.5 million in 1Q08 (1.5% of net revenues).

General and Administrative Expenses: on a recurring basis, general and administrative expenses totaled R$53.8 million (20.3% of net revenues) in 1Q09, versus R$57.5 million (24.2% of net revenues) in 1Q08, representing a 3.9 p.p. gain of net revenues. This improvement was largely driven by lower personnel expenses (1.4 p.p. of net revenues), which corresponded to 10.6% of net revenues in 1Q09 versus 12.0% in 1Q08, despite the increase in INSS tax rates. In 1Q09, the additional INSS charges corresponded to a negative amount of R$0.1 million, driven by reduction in personnel. The "Other" administrative expenses line also posted a significant year-on-year decline, down by 2.4 p.p. of net revenues, as a direct effect from the strict expenditure control, as well as the implementation and constant monitoring of the zero-based and matrix budget.

Chart 3 – SG&A (R$ million)

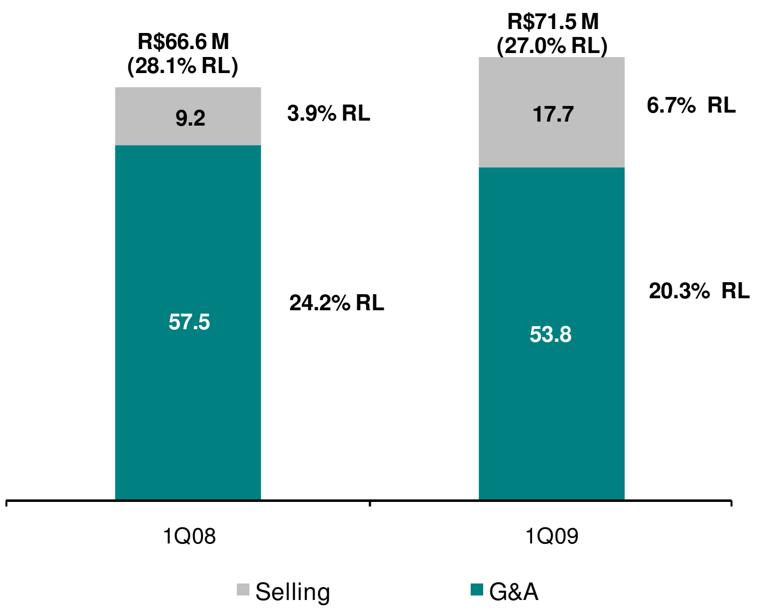


Table 5 – Breakdown of SG&A expenses

R$ million	1Q08*	% NR	1Q09	% NR
Total Selling / Administative	**66.6**		**73.4**	
- Non-Recurring Expenses	-		(1.9)	
Recurring Selling/Administative	**66.6**	**28.1%**	**71.5**	**27.0%**
Selling	**9.2**	**3.9%**	**17.7**	**6.7%**
- Provisions for Bad Debts	3.5		6.2	
- Marketing	5.7		11.5	
Administrative Expenses	**57.5**	**24.2%**	**53.8**	**20.3%**
- Personnel	**28.5**		**28.0**	
- Personnel	25.8		25.4	
- Personnel charges (INSS SESES)	2.7		2.6	
- Others	**28.9**		**25.8**	

(*) Adjusted by Law 11.638, as per Income Statement (page 17)

DEPRECIATION AND AMORTIZATION

Depreciation and amortization charges totaled R$9.6 million in 1Q08, compared to R$7.9 million in 1Q08. This increase was due to the acquisitions made in the period and the adjustments required by Law 11.638. The Company capitalized the present value of equipment leasing expenses, generating an additional depreciation of R$0.5 million in 1Q09 and an adjustment of R$1.0 million in 1Q08 (0.4% of net revenues).

Table 6 – Depreciation and Amortization

R$ million	1Q08	1Q09
Depreciation	**(7.9)**	**(9.6)**
- Cost	(7.2)	(8.9)
- Expenses	(0.7)	(0.7)
Goodwill Amortization	(1.7)	-

FINANCIAL RESULT

The Company's financial result was affected by the changes required by Law 11.638. Equipment leasing expenses, which were previously booked in the general and administrative expenses line, are now accounted for in the financial result. Leasing financial expenses totaled R$0.6 million in 1Q09 (0.2% of net revenues).

Financial revenues totaled R$9.0 million in 1Q09, of which R$6.4 million derive from the Company's cash investments and R$2.6 million are related to interest and fines charged on overdue monthly tuitions and collection charges expenses (operating financial result).

Table 7 – Financial Result

R$ million	1Q08	1Q09
Financial Result	**7.9**	**3.6**
Financial Revenue	10.8	9.0
- Interest on Financial Instruments	6.9	6.4
- Operating Financial Result	3.9	2.6
Financial Expenses	(2.8)	(5.4)

EBITDA

The Company's recurring EBITDA totaled R$43.1 million with 16.3% margin in 1Q09, compared to R$38.8 million with 16.3% margin in 1Q08. In 1Q09, non-recurring costs and expenses amounted to R$2.9 million, comprising dismissal charges (R$2.3 million) and outsourcing (R$0.6 million).

EBITDA in 1Q09 was mostly affected by:

(i) lower personnel expenses (Costs and SG&A, which represented 1.6 p.p. of net revenues), despite the higher INSS rate (0.9 p.p. of net revenues);

(ii) reduction in other administrative expenses (2.4 p.p. of net revenues);

(iii) increase in the provision for doubtful debts (0.9 p.p. of net revenues);

(iv) higher marketing expenses (1.9 p.p. of net revenues), driven by a more aggressive enrollment-oriented policy;

(v) higher costs (rental/utilities), representing 0.6 p.p. of net revenues;

(vi) lower operating financial result (0.6 p.p. of net revenues).

Table 8 – EBITDA

R$ million	1Q08	1Q09	Chg. %
Cash Operating Income	**34.9**	**37.6**	**7.6%**
Non-recurring expenses	-	2.9	
Operating Financial Result	3.9	2.6	
Recurring EBITDA	**38.8**	**43.1**	**11.0%**
Recurring EBITDA Margin	*16.3%*	*16.3%*	
Recurring EBITDA ex-rentals	**59.6**	**66.5**	**11.7%**
Recurring EBITDA	38.8	43.1	
- Rentals	20.8	23.5	
Recurring EBITDA Margin Ex-rentals	*25.1%*	*25.1%*	

NET INCOME

Net income adjusted for non-recurring expenses totaled R$32.7 million in 1Q09, down by 1.5% compared to 1Q08. The lower financial result and higher depreciation expenses in the period were the main drivers behind the net income decline.

Table 9 – Net Income

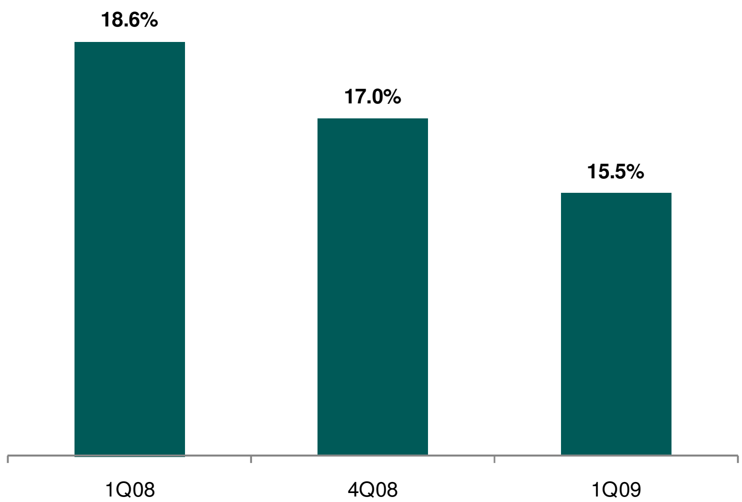
R$ million	1Q08	1Q09	Chg.%
Net Income	**31.4**	**29.8**	**-5.3%**
Non-recurring expenses	-	2.9	
Goodwill Amortization from Acquisitions	1.7	-	
Adjusted Net Income	**33.2**	**32.7**	**-1.5%**

RETURN ON EQUITY (ROE)

Estácio operates under an "Asset Light" business model, in which the majority of our campuses are leased, mainly through partnerships with real estate brokerages. This model streamlines the opening of new units and allows for more flexibility in the structuring and management of our network.

Our brokerage partnerships reduce the need to acquire real estate assets. Consequently, the Company's return on equity has outpaced the sector's average. In 1Q09, this indicator stood at 15.5%, down by 3.1 p.p. compared to the same period in 2008. Excluding the one-off increase in PDD expenses of R$17.9 million in 4Q08, the return on equity (LTM) for the first quarter of 2009 would have reached 18.7%.

Chart 4 – ROE[1]



(1) Adjusted net income for the past 12 months/Shareholders' equity for the quarter.

CAPITALIZATION AND CASH

At the close of 1Q09, the Company's cash position amounted to R$251.9 million, conservatively invested in fixed-income instruments, indexed to the CDI rate, in government bonds and certificates of deposits at top-class Brazilian banks.

The debts amounting to R$9.7 million booked in 1Q09 correspond to the capitalization of equipment leasing expenses as required by Law 11.638. Considering the aforementioned debt amount, the Company's net cash position stood at R$242.2 million.

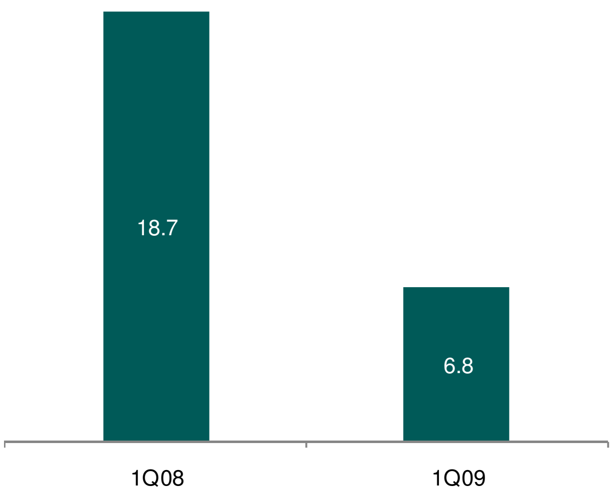
Table 10 – Capitalization and Cash

R$ million	12/31/2008	03/31/2009
Shareholders' Equity	421.1	451.8
Total indebtedness	11.6	9.7
Short-term indebtdeness	6.7	5.8
Long-term indebtdeness	4.8	3.9
Cash and cash equivalents	202.2	251.9
Net Cash	**190.6**	**242.2**

CAPITAL EXPENDITURES

In 1Q09, the Company's organic capex totaled R$6.8 million, equivalent to 2.6% of net revenues, and was assigned to current operating investments (R$3.0 million), and restructuring and expansion investments (R$3.8 million).

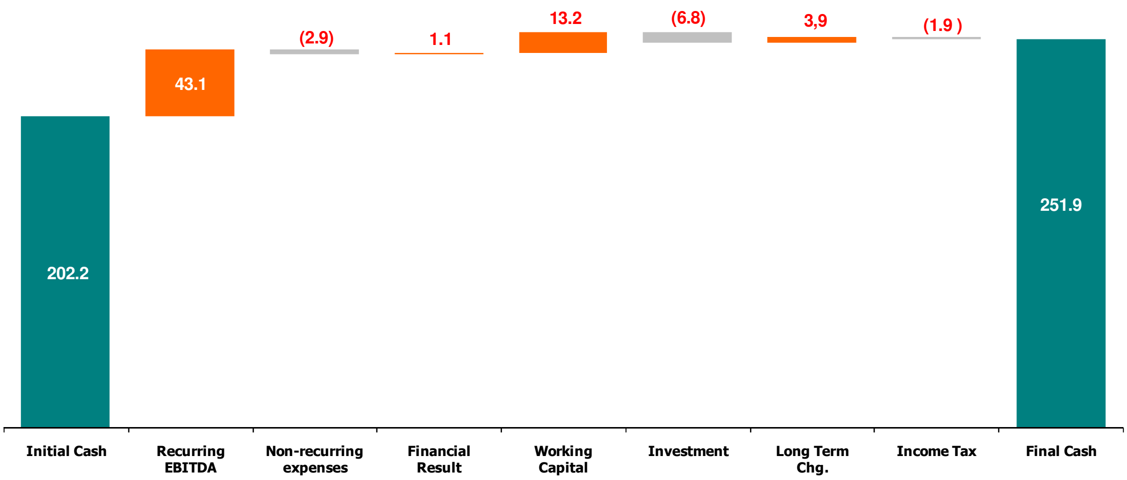
Chart 5 – Investments (R$ million)



CASH FLOW

In the first quarter of 2009, the Company's cash generation stood at R$49.7 million. After organic capex of R$6.8 million, generated a positive variation of R$42.9 million, with its cash position standing at R$251.9 million at the end of 1Q09.

Chart 6 – 1Q09 Cash Flow (R$ million)



OTHER EVENTS

- **Impacts from Law n°. 11.638 and Provisional Measure n°. 449/08**:

In view of the changes in Law 6.404/76, implemented by the Company in 2008, some balances as of March 31, 2008 were reclassified and adjusted by Law 11.638/07 for purposes of comparison with 2009 Quarterly Information, as shown below.

	Holding Company mar/08			
	Formerly Published	11.638/07 Adjustments		Currently Published
(Expenses) Revenues from controlling companies	**33,245**	**(1,290)**		**31,955**
Equity Pick-Up	32,815	(1,290)	(a)/(b)	31,525
Earnings Before Income Tax and Social Contribution	**33,245**	**(1,290)**		**31,955**
Social Contribution	(137)			(137)
Income Tax	(374)			(374)
Net Income in the Period	**32,734**	**(1,290)**		**31,444**

	Consolidated mar/08			
	Formerly Published	11.638/07 Adjustments		Currently Published
Cost of Service Provided (COS)	(142,097)	(1,111)	(a)	(143,208)
Gross Profit	**95,450**	**(1,111)**		**94,339**
(Expenses) Revenues from controlling	**(60,626)**	**(179)**		**(60,805)**
General and Administrative	(60,285)	432	(b)	(59,853)
Financial Expenses	(2,195)	(611)	(a)	(2,806)
Earnings Before Income Tax and Social Contribution	**34,824**	**(1,290)**		**33,534**
Social Contribution	(555)			(555)
Income Tax	(1,535)			(1,535)
Net Income in the Period	**32,734**	**(1,290)**		**31,444**

The above reclassifications and adjustments derive from the adoption of the following accounting practices:

a) Financial leasing

Leased assets were incorporated to fixed assets, on the transition date, at their fair value or, if lower, at the present value of the minimum payments of the lease, on the initial date of the contract, adjusted by accumulated depreciation up to the transition date. The net difference was recorded in the retained earnings account on the transition date.

b) Deferred assets

Deferred assets write-off related to amounts that are neither qualified as pre-operating expenses nor allowed to reclassification to other groups in the balance sheet, as set forth in CVM Resolution n°. 527/08, which approved CPC 13.

IMPORTANT NOTICE (CVM INSTRUCTION 358)

Estácio Participações S.A. advises its shareholders about compliance with the terms of Article 12 of CVM Instruction 358. However, the Company is not responsible for disclosing information about the acquisition or sale, by third parties, of interest corresponding to 5% or more of the type or class of share representing its capital or rights over these shares and the remaining securities issued by the Company.

We are a holding company whose sole assets are our interests in SESES, STB, SESPA, SESCE, SESPE and Radial/IREP, and we currently hold 99.9% of the capital stock of each of these subsidiaries. This report contains forward-looking statements concerning industry's prospects and Estácio Participações' estimated financial and operating results. These are mere projections and, as such, are based solely on the Company management's expectations regarding the future of the business and its continuous access to capital to finance Estácio Participações' business plan. These considerations depend substantially on changes in market conditions, government rules, competitive pressures and the performance of the sector and the Brazilian economy, as well as other factors, and are, therefore, subject to changes without previous notice.

The Company's ownership structure is the following:

Table 11 - Ownership Breakdown – 03/31/09

Shareholders	ON	%
Founding Family	43,037,648	55%
GP Investments	15,717,013	20%
Executive Officers and Directors	51,951	0%
Others	19,778,454	25%
Total	**78,585,066**	**100%**

ABOUT ESTÁCIO PARTICIPAÇÕES

We are the largest private post-secondary education institution in Brazil in terms of number of enrolled students and have a nationwide presence in the country's major cities. In February 2007, we became entirely for-profit with the transformation of our main subsidiary, SESES, into a for-profit institution.

Our student profile is highly diversified and includes mostly young working adults from the middle and mid-low-income families. Since we were founded, 38 years ago, our growth has been mainly organic. We attribute a large part of our growth and market leadership to the high quality of our programs, the strategic location of our units, our competitive prices and our solid financial profile.

Our main strengths are innovative, diversified and flexible portfolio of academic programs; quality of education, faculty and facilities; leadership in the Rio de Janeiro market and scale gains; excellent track record; efficient management of the regulatory process; ability to offer our students internship programs and job opportunities; and management based on an "Asset Light" business model, under which approximately 90% of our campuses are leased through real estate partnerships.

Estácio has nearly 211 thousand undergraduate students enrolled in our nationwide education network and in Paraguay, consisting of 1 University (Rio de Janeiro), 2 University Centers (Bahia and São Paulo) and 27 Colleges, which combined represent 77 campuses distributed across 16 Brazilian states, of which 37 are in Rio de Janeiro, besides 1 University in Paraguay, with more than 2 thousand undergraduate students, as shown in the map below.

Table 12 - Income Statement

Income Statement (R$ million)	1Q08	Adjustments 11.638	1Q08 Adjusted	1Q09	Chg. %
Gross Revenue	**348.2**		**348.2**	**380.5**	**9.3%**
Tuition fees	342.3		342.3	376.5	10.0%
Others	5.9		5.9	4.0	-33.0%
Deductions	**(110.6)**		**(110.6)**	**(115.9)**	**4.7%**
Gratuities - Scholarships	(88.3)		(88.3)	(97.9)	10.8%
Monthly tuition fees and charges returned	(1.1)		(1.1)	(0.8)	-29.3%
Allowances	(10.8)		(10.8)	(5.9)	-45.5%
Taxes	(10.4)		(10.4)	(11.3)	9.2%
Net Revenue	237.5		237.5	264.6	11.4%
Recurring Net Revenue	237.5		237.5	264.6	11.4%
Cost of services (Recurring / Cash)	(135.9)	(0.1)	(136.0)	(152.6)	12.2%
- Faculty Payroll	(102.4)	(0.1)	(102.5)	(113.7)	11.0%
- Rentals / Real State Taxes Expenses	(22.6)		(22.6)	(25.6)	13.4%
- Third-Part Services	(5.0)		(5.0)	(6.1)	20.6%
- Others	(5.8)		(5.8)	(7.1)	22.1%
- Non-Recurring Expenses	-		-	(1.0)	
Cash Gross Profit	101.7	(0.1)	101.6	111.0	9.2%
Recurring Cash Gross Profit	101.7	(0.1)	101.6	112.0	10.2%
Recurring Cash Gross Margin (%)	*42.8%*		*42.8%*	*42.3%*	
Selling, General and administrative (Recurring / Cash)	**(67.1)**	**0.4**	**(66.6)**	**(71.5)**	**7.3%**
- Selling	**(9.2)**		**(9.2)**	**(17.7)**	**93.2%**
- Provisions for Doubtful accounts	(3.5)		(3.5)	(6.2)	
- Marketing	(5.7)		(5.7)	(11.5)	
- General and administrative (Recurring / Cash)	**(57.9)**	**0.4**	**(57.5)**	**(53.8)**	**-6.4%**
- Non-recurring	**-**		**-**	(1.9)	
Cash Operating Income	34.6	0.3	34.9	37.6	7.6%
Recurring Cash Operating income	34.6	0.3	34.9	40.5	15.9%
Net financial result	**8.6**	**(0.6)**	**7.9**	**3.6**	
- Financial revenue	10.8		10.8	9.0	
- Financial expenses	(2.2)	(0.6)	(2.8)	(5.4)	
Depreciation	**(6.9)**	**(1.0)**	**(7.9)**	**(9.6)**	
- COS	(6.2)	(1.0)	(7.2)	(8.9)	
- G&A	(0.7)		(0.7)	(0.7)	
Goodwill Amortization from Acquisition	**(1.7)**		**(1.7)**	**-**	
Non Operating Revenue (Expenses)	**0.3**		**0.3**	**0.0**	
Income before social contribuition and income tax	34.8	(1.3)	33.5	31.7	
Social Contribuition and Income Tax	(2.1)		(2.1)	(1.9)	
Net Income	32.7	(1.3)	31.4	29.8	
Adjusted Net Income (Godwill, One-off Expenses)	34.5	(1.3)	33.2	32.7	-1.5%
Adjusted Net Margin (%)	14.5%		14.0%	12.3%	
EBITDA	1Q08		1Q08	1Q09	Chg. %
Operating Income	34.6	0.3	34.9	37.6	
Non Recurring Expenses	-		-	2.9	
Operating Financial Result	3.9		3.9	2.6	
Recurring EBITDA	38.5	0.3	38.8	43.1	11.0%
Recurring EBITDA Margin (%)	***16.2%***		***16.3%***	***16.3%***	

Table 13 – Balance Sheet

Balance Sheet (R$ milhões)	12/31/2008	03/31/2009
Current Assets	**332.9**	**380.5**
Cash	38.1	47.6
Cash Equivalents	164.1	204.3
Accounts Receivable	100.4	104.9
Carry-fowards Credits	2.3	1.8
Advance to Employees / Third Parties	9.1	2.9
Related Parties	0.1	0.1
Prepaid Expenses	2.9	8.1
Others	16.0	10.7
	-	-
Long term receivables	**3.7**	**4.0**
Prepaid Expenses	3.0	2.8
Judicial Deposits	0.7	1.1
	-	-
Permanent Assets	**297.8**	**294.9**
Investments	0.2	0.2
Fixed Assets	190.7	186.6
Intangible	106.9	108.0
	-	-
Total Assets	**634.5**	**679.3**
	-	-

Liabilities and Shareholders' Equity	12/31/2008	03/31/2009
Current liabilities	**157.9**	**173.8**
Loans and financings	6.7	5.8
Suppliers	24.4	25.2
Salaries and payroll charges	56.2	73.4
Taxes payable	16.8	10.2
Prepaid monthly tuition fees	29.1	35.6
Taxes paid in installments	1.5	1.3
Dividends payable	17.9	17.9
Commitments payable	1.5	1.5
Others	3.8	3.0
	-	-
Long term liabilities	**55.5**	**53.6**
Loans and financings	4.8	3.9
Provisions for contingencies	20.2	20.1
Advances under partnership agreement	26.5	25.7
Taxes paid in installments	4.0	3.9
	-	-
Shareholders' Equity	**421.1**	**451.8**
Capital	295.2	295.2
Capital Reserves	96.5	97.6
Earnings Reserves	29.0	29.0
Empairment	0.4	0.2
Acumulated Net Income		29.8
Total liability and shareholders' Equity	**634.5**	**679.3**

Table 14 - Cash Flow

Statement of cash flow (R$ million)	2008	1Q09
Cash flow from operating activities:		
Net income for the period	**37.6**	**29.8**
Adjustments - net income to cash generated by operating activities:		
Depreciation e amortization	34.4	9.6
Residual value of fixed asset disposals	5.1	0.0
Goodwill amortization	10.4	-
Stock Option	-	1.2
Provisions for doubtful accounts	58.9	6.2
Provision for contingencies	7.4	1.4
Cash flow from operating activities	**153.9**	**48.1**
Changes in assets and liabilities:		
(Increase) in accounts receivable	(69.8)	(10.8)
(Increase) in other assets	(16.2)	6.5
Increase (decrease) in Suppliers	7.2	0.8
Increase (decrease) in tax payable	4.0	(6.6)
Increase in salaries and social charges	(2.3)	17.2
Increase in prepaid monthly tuition fees	(1.8)	6.5
Increase (decrease) in the provision for contingencies	(1.0)	(1.5)
Increase (decrease) in other liabilities	1.5	(1.2)
Increase (decrease) in advanced under partnership agreement	15.1	(0.7)
Changes in transactions with related parties:	-	(0.0)
(Increase) in accounts receivable	13.8	(0.0)
Net cash generated by (used in) operating activities	**104.4**	**58.3**
Cash flow from financing activities:		
Financial Investments	42.3	(40.3)
Investments	(4.1)	-
Goodwill on acquisitions	(48.2)	-
Fixed Assets and Intangible	(65.6)	(6.8)
Net cash used in investing activities	**(75.5)**	**(47.0)**
Cash flow from financing activities:		
Capital Increase	-	-
Dividends distributed	(13.7)	-
Loans and Financings acquisitions	2.1	-
Payment of Loans and Financings	(2.0)	(1.8)
Net cash used in financing activities	**(13.5)**	**(1.8)**
Increase (decrease) in cash		
At the beginning o period	22.9	38.1
At end of o period	38.1	47.6
Changes in net cash	**15.3**	**9.4**